

German Bundesbank—normally pleased when the mark is strong—said in a statement that the dollar's fall was exaggerated and wasn't justified by "economic fundamental factors."

The German central bank praised Treasury Secretary Robert Rubin's one public utterance on the dollar so far: that a stronger dollar is in the U.S. national interest. In a speech scheduled for this morning, Mr. Rubin is expected to elaborate on this theme, particularly on his view that U.S. support for Mexico isn't any reason for the dollar to be weak.

During some past episodes of dollar weakness in recent years, other Clinton administration officials have occasionally suggested the benefits of a weak dollar, but they now are avoiding saying anything that suggests they favor its decline.

Fed Governor Lawrence Lindsey, who has in the past made statements that hurt the dollar, wouldn't discuss it yesterday. "I don't have a yen to make a mark," he told wire-service reporters.

On the state of the economy, Mr. Greenspan reiterated that he sees "some indications that the expansion may be slowing from its torrid and unsustainable pace of 1994. . . . while there are signs that spending is slowing, the jury remains out on whether that will be sufficient to contain inflation pressure." He noted slowing of the housing sector and consumer spending, but said there are "few indications of that degree of slowing" in orders for nondefense capital goods or investment in commercial buildings.

[From the Washington Times, Mar. 9, 1995]

#### FED CHIEF HELPS DOLLAR SOAR

GREENSPAN CITES SENATE BUDGET VOTE AS TRIGGER FOR ALL, URGES DEFICIT ACTION

(By Patrice Hill)

Federal Reserve Chairman Alan Greenspan touched off a powerful dollar rally yesterday by signaling the Fed's concern about the beleaguered currency and calling on Congress to move quickly to cut the budget deficit.

Mr. Greenspan agreed with observers who think the failure of the balanced-budget amendment last week triggered the dollar's fall to record lows against the German mark and Japanese yen because it raised questions about Washington's willingness to control spending. He stressed that it is within Congress' power to reverse the currency's decline.

"A key element in dealing with the dollar's weakness is to address our underlying fiscal imbalance convincingly," he told the House Budget Committee, which is preparing a plan to balance the budget by 2002, as the constitutional amendment would have required.

To forever rely on foreign money to finance a \$200 billion budget deficit and a \$150 billion trade deficit "would certainly be unwise and probably impossible," he said. "Indeed, given the recent weakness in the foreign exchange value of the dollar, world capital markets may be sending us just that message."

Mr. Greenspan said an all-out effort by Congress to eliminate the deficit not only would bolster the dollar, but also substantially lower interest rates and stimulate the economy.

"The productive potential of the U.S. economy will be shaped significantly by the actions of this Congress," he said, predicting a "startling" pickup in growth, more stability on financial markets and an increasing standard of living if Congress acts decisively to cut the deficit.

Mr. Greenspan's statement, combined with his assurances that the Fed is prepared to do what is necessary to deal with the "trouble-

some" fall of the dollar, dramatically lifted the U.S. currency against the mark and yen.

In New York trading, the dollar leaped to 1.3935 marks after hitting an all-time low of 1.3440 marks earlier yesterday in European trading. It had closed at 1.3702 marks Tuesday in New York.

The dollar sprang to 91.33 yen from the record low of 88.70 reached in European trading overnight. Its Tuesday close in New York was 90.05 yen. Stocks and bonds rallied modestly with the dollar.

While Mr. Greenspan's talk was a salve for the dollar, some traders questioned whether the gains will last unless Congress acts or the Fed boosts interest rates. Raising interest rates would bolster the dollar by making U.S. bonds more attractive to investors. Mr. Greenspan appeared to leave that possibility open yesterday.

"Greenspan is telling all these congressmen that what's happening to the dollar now is a symptom of the problem," said Dan Seto, an economist at Nikko Securities in New York. He said the Senate's balanced-budget vote was a negative for investors who thought the amendment would keep the federal government from living beyond its means.

"It's loud and clear," he said of Mr. Greenspan's message, "but, unfortunately, a lot of congressmen have their own Walkmans on, and they're hearing other music."

Several congressmen at the Budget Committee hearing accused the Fed and the Treasury of causing the currency crisis by getting involved in Mexico's financial problems and depleting the central bank's foreign exchange reserves by committing \$20 billion to prop up the Mexican peso.

Sen. Byron L. Dorgan of North Dakota, one of six Democratic senators who switched votes to block the balanced-budget amendment, brought up the peso when told about the Fed chairman's comments.

"The dollar was dropping rapidly before the Senate vote, and Greenspan knows that. He linked the dollar to the ailing peso," said Mr. Dorgan, a persistent Fed critic. "The marriage of the dollar and the peso has caused the trouble for the dollar."

Despite falling against other major currencies, the dollar has been hitting new highs against the peso. Yesterday it took 7.02 pesos to buy a dollar, near 50 percent more than it did Dec. 20, when Mexico devalued its currency.

"The dollar's problems began to mount when Mexico devalued the peso," Mr. Seto said, primarily because people wonder if the Mexican bailout leaves the Fed with enough reserves to influence movements in the dollar market, where \$1 trillion changes hands each day.

Comparing the meager reserves of most central banks to a "bowling trophy on the mantle," he said such reserves can't prop up a currency experiencing a fall like the dollar's.

Mr. Greenspan insisted yesterday that the Fed's reserves are sufficient to defend the dollar.

Another Democrat who opposed the balanced-budget measure, Sen. Dale Bumpers of Arkansas, said, "The slide of the dollar obviously shows the financial markets are deeply concerned about the deficit."

But he and other Democrats said a constitutional amendment is not the solution.

They said they are willing to work with Republicans right away on a plan to balance the budget with the usual budget-writing procedures.

"We're dead serious," said Sen. Wendell H. Ford, Kentucky Democrat and another of the vote-switchers on the amendment.

"There's a difference between posing and lifting," Mr. Dorgan said. Pointing to his vote for President Clinton's \$500 billion defi-

cit-reduction plan in 1993, he said, "I'm perfectly willing to cast that kind of vote again."

Sen. Paul Simon, Illinois Democrat and author of the proposed constitutional amendment, called on other Democrats to reconsider their votes and halt the slide of the dollar.

"When the balanced-budget amendment went down," House Speaker Newt Gingrich said, "that was a signal to the world money markets that the United States is not going to be serious about balancing its budget."

While "the decay of the dollar as a reserve currency for the world is not a new thing," the Georgia Republican said, borrowing at the rate of \$200 billion a year "implies a level of inflation and a level of decay of the currency that is almost Mexican in proportions."

The PRESIDING OFFICER. The Senator from Washington is recognized.

#### EMERGENCY SUPPLEMENTAL APPROPRIATIONS AND RESCIS-SIONS ACT OF 1995

The Senate continued with the consideration of the bill.

AMENDMENT NO. 331

Mrs. MURRAY. Mr. President, I rise today in strong opposition to the amendment proposed by my colleague from Kansas.

I am most concerned with those that question the administration's authority to issue this Executive order. As the Federal Government's chief executive officer, the President has the responsibility by law to assure that taxpayers receive the goods and services they require from Federal contractors. These contractors must maintain stable and productive labor-management relationships if they are going to produce the products our Nation must depend upon.

The Executive order advances cooperative and stable labor-management relations, a central component of this administration's workplace agenda. The use of—or the threat to use—permanent replacement workers destroys the cooperative environment that this relationship must maintain.

The Executive order represents a lawful exercise of Presidential authority. The Federal Procurement Act, enacted by Congress in 1949, expressly authorizes the President to prescribe such policies and directives, not inconsistent with the provisions of this act, as he shall deem necessary to effectuate the provisions of said act.

Presidents since Franklin Roosevelt have issued Executive orders addressing the conduct of firms with which the Federal Government does business. Those orders to be challenged have been upheld.

In 1941, President Roosevelt issued an Executive order requiring defense contractors to refrain from racial discrimination. In 1951, after enactment of the Procurement Act, President Truman issued an Executive order extending the requirement to all Federal contractors. When both orders were issued, such discrimination was not unlawful

and, indeed, Congress had declined to enact an antidiscrimination law proposed by President Truman.

In 1964, President Johnson issued an Executive order prohibiting Federal contractors from discriminating on the basis of age. At the time, Federal law permitted such age discrimination. The Civil Rights Act of 1964 merely directed the President to study the issue.

In 1969, the Nixon administration expanded the antidiscrimination Executive order to encompass a requirement that all Federal contractors adopt affirmative action programs. This Executive order was upheld by the United States Court of Appeals for the Third Circuit.

In 1978, President Carter issued an Executive order requiring all federal contractors to comply with certain guidelines limiting the amount of wage increases. The D.C. Circuit Court upheld President Carter's Executive order.

Finally, in 1992 President Bush issued an Executive order requiring unionized Federal contractors to notify their unionized employees of their right to refuse to pay union dues. The National Labor Relations Act contains no such requirement and legislation proposing this in the 101st Congress was not passed.

The economical and efficient administration and completion of Federal Government contracts requires a stable and productive labor-management environment. Strikes involving permanent replacements last seven times longer than strikes that do not involve permanent replacements.

Mr. President, my personal interest in this amendment is its impact on the most vulnerable and fastest growing segment of our work force—American women.

Over the last decade, women have assumed ever greater economic and family caretaking responsibilities. Everyone in this country should be unsettled by the fact that women and children are most likely to fall deeper into poverty and homelessness. One of three families headed by a woman lives to or below the poverty line: Nearly 70 percent of all working women earned less than \$20,000 a year, and 40 percent earned less than \$10,000 annually. These workers need the ability to raise their standard of living in order to break the cycle of poverty and welfare dependence which many of them endure.

These women understand that they cannot bargain effectively unless they are assured that they do not risk losing their jobs permanently. They understand the serious implications of a strike. They understand, as I do, the fear of being one paycheck away from economic disaster.

Most of us have home mortgages, car payments, educational and medical needs for ourselves and our families. America's workers know striking is the option of last resort. This action is never taken lightly.

I urge my colleagues to maintain the delicate balance of collective bargaining. This Executive order shows that this great society values the individual, that it cares about women, and it recognizes those that built this Nation. Let us defeat this amendment and prove to America that Government does respect the needs of ordinary working people.

I thank the President. I yield the floor.

#### APPOINTMENTS BY THE MAJORITY LEADER

The PRESIDING OFFICER. The Chair, on behalf of the majority leader, pursuant to Senate Resolution 105, adopted April 13, 1989, as amended by Senate Resolution 280, adopted October 8, 1994, announces the appointment of the following Senators as members of the Senate Arms Control Observer Group: The Senator from Rhode Island [Mr. CHAFEE], the Senator from Virginia [Mr. WARNER], the Senator from Mississippi [Mr. COCHRAN], the Senator from Oklahoma [Mr. NICKLES], the Senator from New Hampshire [Mr. SMITH], the Senator from Maine [Ms. SNOWE], and the Senator from Arizona [Mr. KYL].

Mrs. MURRAY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### CLOTURE MOTION

Mr. GREGG. Mr. President, I send a motion to invoke cloture to the desk.

The PRESIDING OFFICER. The clerk will report the motion.

The legislative clerk read as follows:

#### CLOTURE MOTION

We the undersigned Senators in accordance with the provisions of Rule XXII of the Standing Rules of the Senate do hereby move to bring to a close debate on the Kassebaum amendment No. 331 to the committee amendment to H.R. 889, the supplemental appropriations bill.

Trent Lott, Pete V. Domenici, Bob Packwood, Mark Hatfield, Bob Smith, Slade Gorton, Connie Mack, Judd Gregg, Bob Dole, Thad Cochran, Ted Stevens, Frank H. Murkowski, Don Nickles, John McCain, Phil Gramm, Nancy Landon Kassebaum.

#### MORNING BUSINESS

#### THE BALANCED BUDGET AMENDMENT—AN ISSUE OF PRINCIPLE

Mr. DORGAN. Mr. President, during the past several weeks I have been contacted on the subject of the constitutional amendment to balance the budget by nearly 10,000 Americans—most,

but not all of them, North Dakotans. I know people felt strongly on all sides of this issue. I respect these different viewpoints, and I appreciate the opportunity to give my colleagues some information and background about why I voted as I did.

And I want to start by saying simply this: I have an unwavering commitment to balancing this Nation's budget, and that commitment is a long-standing one—dating back to the first vote I cast in favor of a constitutional amendment a dozen years ago, in 1982.

That was during my first term in Congress. Since that time I have voted for balanced budget amendments again and again. I voted "yes" in 1990 and in 1992, after the huge deficits created during the 1980's and early 1990's caused the Federal debt to explode to \$4 trillion.

Last year I voted for it yet again. But I cast that vote with the firm assurance from the leading proponents of the amendment that Social Security trust funds would not be used to balance the budget.

This year in the Senate we cast two votes on constitutional amendments. I voted for the earlier of the two, Senator FEINSTEIN's substitute constitutional amendment to balance the budget. It was identical in every respect to the main constitutional amendment proposal offered by Senators HATCH and SIMON except for one important difference. It included a provision prohibiting use of the Social Security trust fund to balance the Federal budget. That proposal failed.

During the 2 days following that vote, I was involved in negotiations to try to get the sponsors of the Hatch-Simon amendment to modify their proposal so it would not result in raiding Social Security trust funds to balance the budget. Our negotiations were ultimately unsuccessful, and I therefore cast a "no" vote on that amendment.

The issue for me is one of principle—not politics. I felt it was important to stand up and fight for that principle, and that is what I did. I know the popular thing to do would have been to vote for this constitutional amendment. But if we are going to change the Constitution then we need to do that the right way. And in my mind, protecting the Social Security trust fund is the right way.

We collect Social Security taxes to fund the Social Security system with a dedicated tax out of the paychecks of workers. It is supposed to go into a trust fund. Those who would use that trust fund to balance the Federal budget, in my judgment, are involved in dishonest budgeting. And yet, that's exactly what the constitutional amendment would have done.

I know proponents protested publicly they had no intention of doing that, but in our private negotiations they admitted they could not balance the budget without Social Security trust funds. In fact, in private they said they wanted to use those funds for the next